

FISCAL IMPACT OF STATUTORY TAX CHANGES

This report is an update of our history of tax law changes, which was last published in September 2004. The report details the estimated dollar value of individual historical tax law changes enacted by the Legislature since FY 1989.

Included in the report are individual tables for calendar years 1988 through 2005, which provide a listing of tax law changes for each calendar year, and the estimated dollar revenue impact of these changes for ensuing fiscal years. Also included is a two-page summary of tax law changes by tax category by calendar year, including the estimated impact by category by fiscal year. And finally, included is a one-page summary of the estimated impact of tax law changes by fiscal year, which provides the estimated marginal dollar value of tax law changes relative to the prior year.

Since the repeal of the state property tax in 1996, the General Fund revenue impact of property tax legislation is often negligible. Instead, property tax law changes typically affect the General Fund by increasing Arizona Department of Education (ADE) expenditures. Generally, any legislation that reduces the local property tax base results in higher General Fund expenditures. Under the statutory K-12 funding formula, the state share of education funding increases whenever local property values decrease.

There are several caveats related to the estimated dollar impact of tax law changes included in this report. The report does not include any shift in the tax base which may have occurred during this time period. In addition, the impact of the 0.6% sales tax authorized by Proposition 301 in 2000 has not been included in this analysis. And finally, the tobacco tax increase authorized by Proposition 303 in 2002 has not been included.

Additionally, no inflation factors have been applied to the “out year” estimates, which understates their impact. Also, the estimates do not include a “dynamic” component. The potential behavioral impact on taxpayers of tax cuts or tax increases has not been incorporated in the numbers.

And finally, the estimates exclude any non-tax revenue adjustments, as well as “one-time” tax law changes made in order to balance the budget. An example of a non-tax revenue adjustment would be the revenue gained by the state from entry into the federal disproportionate share hospital program. An example of a one-time budget-balancing adjustment would be the fund transfers enacted for FY 2004.

As noted on the attached chart, the estimated value of tax law changes for FY 2006 is a \$(18.1) million decrease. The decrease includes reduced individual income tax revenue of \$(5.4) million and reduced corporate income tax revenue of \$(3.0) million due to IRS conformity, a reduction in individual income tax of \$(6.4) million due to the elimination of the “marriage penalty”, a reduction of \$(2.4) million in individual income tax due to the indexing of the standard deduction by the CPI, a reduction of \$(250,000) in corporate income tax from the Arizona National Guard active duty employment credit, and a reduction of \$(600,000) in sales tax due to motion picture tax incentives.

JLBC Staff
September 2005

Estimated Dollar Value of General Fund Tax Changes ^{1/}
(\$ in Thousands)

Fiscal Year	Sales Tax	Individual Income Tax	Corporate Income Tax	Property Tax	Other Taxes	Total ^{2/} Annual Changes	Total Cumulative Changes ^{3/}
1989	23,100.0	35,400.0	29,000.0	28,200.0	6,000.0	121,700.0	121,700.0
1990	7,000.0	63,900.0	-	22,600.0	15,800.0	109,300.0	231,000.0
1991	(4,404.0)	118,680.0	30,900.0	49,640.0	13,560.0	208,376.0	439,376.0
1992	(377.5)	9,200.0	400.0	-	485.0	9,707.5	449,083.5
1993	(7,972.1)	(13,500.0)	-	(1,343.0)	3,472.0	(19,343.1)	429,740.4
1994	(12,243.5)	(10,776.0)	-	(1,200.0)	(1,233.0)	(25,452.5)	404,287.9
1995	(21,217.0)	(102,826.0)	4,200.0	(850.0)	-	(120,693.0)	283,594.9
1996	(46,151.9)	(202,260.5)	(18,000.0)	(18,256.0)	-	(284,668.4)	(1,073.5)
1997	(23,449.3)	(950.0)	(60.0)	(150,078.0)	-	(174,537.3)	(175,610.8)
1998	(59,907.9)	(114,969.0)	2,601.9	-	(105.0)	(172,380.0)	(347,990.8)
1999	(3,684.2)	(51,091.5)	(7,015.2)	-	(80,000.0)	(141,790.9)	(489,781.7)
2000	(8,402.3)	(27,177.9)	(13,982.3)	(51.6)	(55,000.0)	(104,614.1)	(594,395.8)
2001	(3,392.0)	(82,895.0)	(46,486.1)	(30.0)	(25,000.0)	(157,803.1)	(752,198.9)
2002	(2.1)	9,825.3	(40,759.6)	(2,234.9)	-	(33,171.3)	(785,370.2)
2003	(2.2)	11,384.5	21,567.0	(1,738.3)	(18,830.0)	12,381.0	(772,989.2)
2004	-	-	-	7,000.0	50,418.1	57,418.1	(715,571.1)
2005	-	(1,834.0)	-	(7,000.0)	3,892.0	(4,942.0)	(720,513.1)
2006	(600.0)	(14,200.0)	(3,250.0)	-	-	(18,050.0)	(738,563.1)
Total ^{3/}	(161,706.0)	(374,090.1)	(40,884.3)	(75,341.8)	(86,540.9)	(738,563.1)	

^{1/} The estimates exclude one-time increases or decreases in revenue collections that are the result of temporary tax law modifications that were used during the early 1990's and 2000's to balance the state budget. The tax changes also exclude General Fund distribution formula changes and additional expenditures that were the direct result of tax cut legislation.

^{2/} Each yearly amount represents the marginal dollar value of tax law changes relative to the prior year. For example, the total net tax reduction in FY 2001 relative to FY 2000 was \$(157.8) million.

^{3/} The total changes represent the cumulative impact of tax law changes since FY 1989. It is difficult, however, to draw conclusions from these numbers for several reasons. For example, the tax base has changed significantly during the period covered by this analysis, each successive tax change may have an influence on previous tax changes, there has been no adjustment for inflation, and there has been no attempt to analyze the interactive nature of the tax changes taken all together.

Estimated Permanent General Fund Tax Changes

Session Year/Tax Year	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Sales/Use Tax	23,100.0	30,100.0	25,696.0	25,318.5	17,346.4	5,102.9	(16,114.1)	(62,266.0)	(85,715.3)	(145,623.2)	(149,307.4)	(157,709.7)	(161,101.7)	(161,103.8)	(161,106.0)	(161,106.0)	(161,106.0)	(161,106.0)
1988	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0	23,100.0
1989	-	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0
1990	-	-	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)	(4,404.0)
1991	-	-	-	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)	(377.5)
1992	-	-	-	-	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)	(7,972.1)
1993	-	-	-	-	-	(12,243.5)	(30,443.5)	(51,443.5)	(74,743.5)	(100,443.5)	(100,443.5)	(100,443.5)	(100,443.5)	(100,443.5)	(100,443.5)	(100,443.5)	(100,443.5)	(100,443.5)
1994	-	-	-	-	-	-	(3,017.0)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)	(27,368.9)
1995	-	-	-	-	-	-	-	(800.0)	(800.0)	(800.0)	(800.0)	(800.0)	(800.0)	(800.0)	(800.0)	(800.0)	(800.0)	(800.0)
1996	-	-	-	-	-	-	-	-	(149.3)	(31,625.2)	(31,625.2)	(31,625.2)	(31,625.2)	(31,625.2)	(31,625.2)	(31,625.2)	(31,625.2)	(31,625.2)
1997	-	-	-	-	-	-	-	-	-	(2,672.0)	(4,672.0)	(4,672.0)	(4,672.0)	(4,672.0)	(4,672.0)	(4,672.0)	(4,672.0)	(4,672.0)
1998	-	-	-	-	-	-	-	-	-	(60.0)	(1,644.2)	(1,961.1)	(1,961.1)	(1,961.1)	(1,961.1)	(1,961.1)	(1,961.1)	(1,961.1)
1999	-	-	-	-	-	-	-	-	-	-	(100.0)	(8,167.0)	(11,500.0)	(11,500.0)	(11,500.0)	(11,500.0)	(11,500.0)	(11,500.0)
2000	-	-	-	-	-	-	-	-	-	-	-	(18.4)	(77.4)	(79.5)	(81.7)	(81.7)	(81.7)	(81.7)
2001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(600.0)
Individual Income Tax	35,400.0	99,300.0	217,980.0	227,180.0	213,680.0	202,904.0	100,078.0	(102,182.5)	(103,132.5)	(218,101.5)	(269,193.0)	(296,370.9)	(379,265.9)	(369,440.6)	(358,056.1)	(358,056.1)	(359,890.1)	(374,090.1)
1988	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0	35,400.0
1989	-	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0	63,900.0
1990	-	-	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0	118,680.0
1991	-	-	-	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0	9,200.0
1992	-	-	-	-	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)	(13,500.0)
1993	-	-	-	-	-	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)	(10,776.0)
1994	-	-	-	-	-	-	-	(102,826.0)	(104,749.0)	(104,749.0)	(104,749.0)	(104,749.0)	(104,749.0)	(104,749.0)	(104,749.0)	(104,749.0)	(104,749.0)	(104,749.0)
1995	-	-	-	-	-	-	-	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)	(200,337.5)
1996	-	-	-	-	-	-	-	-	(950.0)	(950.0)	(950.0)	(950.0)	(950.0)	(950.0)	(950.0)	(950.0)	(950.0)	(950.0)
1997	-	-	-	-	-	-	-	-	-	(115,129.0)	(131,657.5)	(131,657.5)	(131,657.5)	(131,657.5)	(131,657.5)	(131,657.5)	(131,657.5)	(131,657.5)
1998	-	-	-	-	-	-	-	-	-	160.0	(34,163.0)	(63,030.9)	(60,176.1)	(60,176.1)	(60,176.1)	(60,176.1)	(60,176.1)	(60,176.1)
1999	-	-	-	-	-	-	-	-	-	-	(240.0)	2,130.0	(2,103.8)	(5,356.7)	(5,356.7)	(5,356.7)	(5,356.7)	(5,356.7)
2000	-	-	-	-	-	-	-	-	-	-	-	(680.0)	(82,073.0)	(54,385.0)	(28,315.5)	(28,315.5)	(28,315.5)	(28,315.5)
2001	-	-	-	-	-	-	-	-	-	-	-	-	(123.0)	(14,732.8)	(14,937.8)	(14,937.8)	(14,937.8)	(14,937.8)
2002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,480.0)	(14,480.0)	(14,480.0)	(14,480.0)
2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,834.0)	(1,834.0)
2005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,200.0)
Corporate Income Tax	29,000.0	29,000.0	59,900.0	60,300.0	60,300.0	60,300.0	64,500.0	46,500.0	46,440.0	49,041.9	42,026.7	28,044.4	(18,441.7)	(59,201.3)	(37,634.3)	(37,634.3)	(37,634.3)	(40,884.3)
1988	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0	29,000.0
1989	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1990	-	-	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0	30,900.0
1991	-	-	-	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0
1992	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1993	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1994	-	-	-	-	-	-	4,200.0	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)	(10,200.0)
1995	-	-	-	-	-	-	-	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)	(3,600.0)
1996	-	-	-	-	-	-	-	-	(60.0)	(1,635.1)	(1,635.1)	(1,635.1)	(1,635.1)	(1,635.1)	(1,635.1)	(1,635.1)	(1,635.1)	(1,635.1)
1997	-	-	-	-	-	-	-	-	-	4,177.0	3,591.8	3,591.8	3,591.8	3,591.8	3,591.8	3,591.8	3,591.8	3,591.8
1998	-	-	-	-	-	-	-	-	-	-	(11,600.0)	(23,317.3)	(23,317.3)	(23,317.3)	(23,317.3)	(23,317.3)	(23,317.3)	(23,317.3)
1999	-	-	-	-	-	-	-	-	-	-	5,170.0	2,920.0	(35,832.1)	(74,510.0)	(74,510.0)	(74,510.0)	(74,510.0)	(74,510.0)
2000	-	-	-	-	-	-	-	-	-	-	-	(15.0)	(7,279.0)	(8,732.7)	(3,758.7)	(3,758.7)	(3,758.7)	(3,758.7)
2001	-	-	-	-	-	-	-	-	-	-	-	-	(470.0)	(1,098.0)	(1,315.0)	(1,315.0)	(1,315.0)	(1,315.0)
2002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,810.0	16,810.0	16,810.0	16,810.0
2003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,250.0)

Estimated Permanent General Fund Tax Changes

[illegible]

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1988

(\$ in Thousands)

	<u>FY 1988</u>	<u>FY 1989</u>
INDIVIDUAL INCOME		
Elimination of Gasoline Deduction Ch. 271		10,000.0
Federal Income Tax Windfall Cap Ch. 271		25,400.0
TOTAL INDIVIDUAL INCOME	<hr/>	<hr/> 35,400.0
CORPORATE INCOME		
Elimin. of Lower Cap. Gains Rate Ch. 271		14,000.0
Controlled Corp. Dividends Conformed Ch. 271		13,000.0
Depletion Deduction Conformed Ch. 271		1,000.0
Elimination of Gasoline Deduction Ch. 271		1,000.0
TOTAL CORPORATE INCOME	<hr/>	<hr/> 29,000.0
SALES AND USE		
Accounting Allowance Cap. - \$500 Ch. 271		3,000.0
No Exemption for Semi-conductors Ch. 271		1,700.0
Taxation of Casual Commercial Rents Ch. 271		3,300.0
Hotel/Motel Tax Increase to 5.5% Ch. 271		4,200.0
Rental Real Property Increase to 5% Ch. 271		10,900.0
TOTAL SALES AND USE	<hr/>	<hr/> 23,100.0
PROPERTY		
Assessment Ratio Freeze to 1987 Ch. 271		1,600.0
QTR for Homeowners Capped Ch. 271		9,300.0
State Education Rate Set at \$0.09 Ch. 271		17,300.0
TOTAL PROPERTY	<hr/>	<hr/> 28,200.0
OTHER		
Increase Ins. Prem. Tax to 2.0% Ch. 4		6,000.0
TOTAL OTHER	<hr/>	<hr/> 6,000.0
TOTAL INDIVIDUAL INCOME		35,400.0
TOTAL CORPORATE INCOME		29,000.0
TOTAL SALES AND USE		23,100.0
TOTAL PROPERTY		28,200.0
TOTAL OTHER		6,000.0
TOTAL	<hr/>	<hr/> 121,700.0
Source: JLBC Appropriations Report		

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1989

(\$ in Thousands)

	<u>FY 1989</u>	<u>FY 1990</u>
INDIVIDUAL INCOME		
Federal Conformity Ch. 211		1,900.0
Eliminate Deduction of Fed. Excise Tax Ch. 211		4,000.0
Federal Windfall Retention Ch. 312		16,800.0
Reduce Consumer Interest Deduction to 50% Ch. 312		39,000.0
Taxation of Previous Exempt Pensions		2,200.0
TOTAL INDIVIDUAL INCOME	<u> </u>	<u>63,900.0</u>
CORPORATE INCOME		
None		
TOTAL CORPORATE INCOME	<u> </u>	<u> </u>
SALES AND USE		
Taxation of Catalog Sales Ch. 312		7,000.0
TOTAL SALES AND USE	<u> </u>	<u>7,000.0</u>
PROPERTY		
Minimum QTR School District Tax Ch. 312		26,000.0
Tax Reduction for Unorg. Districts Ch. 312		(3,400.0)
TOTAL PROPERTY	<u> </u>	<u>22,600.0</u>
OTHER		
Minimum VLT to \$30 Ch. 4		15,800.0
TOTAL OTHER	<u> </u>	<u>15,800.0</u>
TOTAL INDIVIDUAL INCOME		63,900.0
TOTAL CORPORATE INCOME		
TOTAL SALES AND USE		7,000.0
TOTAL PROPERTY		22,600.0
TOTAL OTHER		15,800.0
TOTAL	<u> </u>	<u>109,300.0</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1990

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
INDIVIDUAL INCOME		
Federal Conformity Ch. 63		4,880.0
Tax Simplification - Widened Tax Base, Increased Tax Rates Ch. 3		110,000.0
Limitation of Renters Credit Ch. 3		3,800.0
TOTAL INDIVIDUAL INCOME	<hr/>	118,680.0
CORPORATE INCOME		
Federal Conformity Ch. 63		5,300.0
Tax Simplification - Widened Tax Base Ch. 3		25,600.0
TOTAL CORPORATE INCOME	<hr/>	30,900.0
SALES AND USE		
Elimination of Account Allowance Ch. 3		8,000.0
Tax Reduction - Rental Real Property Ch. 3		(1,800.0)
County Property Tax Relief Ch. 3		(10,000.0)
Rodeo Sales Exemption Ch. 239		(47.0)
Tax Suspension - Federal Bldgs. Ch. 251		(94.0)
Bed Tax to Tourism Ch. 391		(463.0)
TOTAL SALES AND USE	<hr/>	4,404.0
PROPERTY		
Minimum QTR School Dist. Tax Ch. 3		40,700.0
Assessment Ratio Changes Ch. 3		8,940.0
TOTAL PROPERTY	<hr/>	49,640.0
OTHER		
Minimum QTR School Dist. Tax = Salt River Ch. 3		7,000.0
Assessment Ratio Changes = Salt River Ch. 3		660.0
Minimum VLT Reduction Ch. 3		(3,600.0)
Cigarette Tax Increase Ch. 3		9,500.0
TOTAL OTHER	<hr/>	13,560.0

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1990

(\$ in Thousands)

	<u>FY 1990</u>	<u>FY 1991</u>
TOTAL INDIVIDUAL INCOME		118,680.0
TOTAL CORPORATE INCOME		30,900.0
TOTAL SALES AND USE		(4,404.0)
TOTAL PROPERTY		49,640.0
TOTAL OTHER		13,560.0
TOTAL	<u></u>	<u>208,376.0</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1991

(\$ in Thousands)

	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
INDIVIDUAL INCOME				
Federal Conformity Ch. 146		7,600.0	7,600.0	7,600.0
Eliminate Ret. Contrib. Subtraction Ch. 155		1,600.0	1,600.0	1,600.0
TOTAL INDIVIDUAL INCOME	<u> </u>	<u>9,200.0</u>	<u>9,200.0</u>	<u>9,200.0</u>
CORPORATE INCOME				
Federal Conformity Ch. 146		400.0	400.0	400.0
TOTAL CORPORATE INCOME	<u> </u>	<u>400.0</u>	<u>400.0</u>	<u>400.0</u>
SALES AND USE				
Membership Camping Tax Ch. 31		122.5	122.5	122.5
Medical Equipment Exemption Ch. 200		(500.0)	(500.0)	(500.0)
TOTAL SALES AND USE	<u> </u>	<u>(377.5)</u>	<u>(377.5)</u>	<u>(377.5)</u>
PROPERTY				
Rental property; Assess. Reduction Ch. 134			(1,200.0)	(2,400.0)
TOTAL PROPERTY	<u> </u>	<u> </u>	<u>(1,200.0)</u>	<u>(2,400.0)</u>
OTHER				
Drano Tax Repeal Ch. 184		320.0	320.0	320.0
Groundwater Fees Ch. 211		165.0	165.0	165.0
TOTAL OTHER	<u> </u>	<u>485.0</u>	<u>485.0</u>	<u>485.0</u>
TOTAL INDIVIDUAL INCOME		9,200.0	9,200.0	9,200.0
TOTAL CORPORATE INCOME		400.0	400.0	400.0
TOTAL SALES AND USE		(377.5)	(377.5)	(377.5)
TOTAL PROPERTY			(1,200.0)	(2,400.0)
TOTAL OTHER		485.0	485.0	485.0
TOTAL	<u> </u>	<u>9,707.5</u>	<u>8,507.5</u>	<u>7,307.5</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1992

(\$ in Thousands)

	<u>FY 1992</u>	<u>FY 1993</u>
INDIVIDUAL INCOME		
Increased Exemptions Phase-in Ch. 290		(12,000.0)
Withhold Penalty Forgiveness Ch. 220		(1,500.0)
TOTAL INDIVIDUAL INCOME	<hr/>	<hr/> (13,500.0)
CORPORATE INCOME		
None		
TOTAL CORPORATE INCOME	<hr/>	<hr/>
SALES AND USE		
Church Leases Exemption Ch. 29		(50.0)
Restaurant Food: Use Tax Exemp. Ch. 32		(100.0)
Motion Picture Sales Tax Refund Ch. 96		(67.1)
Semi-Trailers, Bowl Games Exemption Ch. 135		(600.0)
Feed and Seed Exemption Ch. 162		(1,600.0)
Lessor Utility Exemptions Ch. 215		(1,921.0)
Manufactured Bldgs. Exemptions Ch. 217		(100.0)
Aircraft Sales Tax Exemptions Ch. 222		(300.0)
Microwave Systems Exemptions Ch. 237		(84.0)
R & D Equipment Exemptions Ch. 238		(250.0)
Repeal Aircraft Exemptions Ch. 290		(2,900.0)
TOTAL SALES AND USE	<hr/>	<hr/> (7,972.1)
PROPERTY		
Widow/Widower Exemption Ch. 5		(50.0)
Local Telecom. Property Ch. 41		(70.0)
Pipeline Valuations Ch. 51		(50.0)
Sewer/Wastewater Prop. Cent. Valued Ch. 347		27.0
TOTAL PROPERTY	<hr/>	<hr/> (143.0)

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1992

(\$ in Thousands)

	<u>FY 1992</u>	<u>FY 1993</u>
OTHER		
VLT: Rental Car Surcharge Ch. 219		600.0
Cigarette Luxury Stamps Ch. 55		(100.0)
Jet Fuel Reduction Ch. 221		(1,028.0)
Insurance Premium Tax Offset Ch. 290		4,000.0
TOTAL OTHER	<hr/>	<hr/> 3,472.0
TOTAL INDIVIDUAL INCOME		(13,500.0)
TOTAL CORPORATE INCOME		
TOTAL SALES AND USE		(7,972.1)
TOTAL PROPERTY		(143.0)
TOTAL OTHER		3,472.0
TOTAL	<hr/>	<hr/> (18,143.1)

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1993

(\$ in Thousands)

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
INDIVIDUAL INCOME						
Increased Dependent Exemption Ch. 9		(5,600.0)	(5,600.0)	(5,600.0)	(5,600.0)	(5,600.0)
Increased Exemption - Elderly Ch. 9		(2,700.0)	(2,700.0)	(2,700.0)	(2,700.0)	(2,700.0)
Accelerate Medical Deductions Ch. 9		(2,300.0)	(2,300.0)	(2,300.0)	(2,300.0)	(2,300.0)
Alternative Fuel Vehicles Credit Ch. 160		(176.0)	(176.0)	(176.0)	(176.0)	(176.0)
TOTAL INDIVIDUAL INCOME		<u>(10,776.0)</u>	<u>(10,776.0)</u>	<u>(10,776.0)</u>	<u>(10,776.0)</u>	<u>(10,776.0)</u>
CORPORATE INCOME						
None						
TOTAL CORPORATE INCOME						
SALES AND USE						
Phase-out of Commercial Lease Tax Ch. 9		(8,100.0)	(26,300.0)	(47,300.0)	(70,600.0)	(96,300.0)
Feed Lots Exemption Ch. 64		(331.8)	(331.8)	(331.8)	(331.8)	(331.8)
Residential Care Homes - Use Exemp. Ch. 103		(1,300.0)	(1,300.0)	(1,300.0)	(1,300.0)	(1,300.0)
Motion Picture Tax Refund Ch. 104		(20.4)	(20.4)	(20.4)	(20.4)	(20.4)
Retail Classifications Changes Ch. 132		(138.3)	(138.3)	(138.3)	(138.3)	(138.3)
Health Care Centers - Exemptions Ch. 199		(227.0)	(227.0)	(227.0)	(227.0)	(227.0)
Alternative Use Fuel - Exemption Ch. 206		(50.0)	(50.0)	(50.0)	(50.0)	(50.0)
Nursing Care Leases Ch. 212		(976.0)	(976.0)	(976.0)	(976.0)	(976.0)
Sales Deductions - Telecomm. Charges Ch. 240		(1,100.0)	(1,100.0)	(1,100.0)	(1,100.0)	(1,100.0)
TOTAL SALES AND USE		<u>(12,243.5)</u>	<u>(30,443.5)</u>	<u>(51,443.5)</u>	<u>(74,743.5)</u>	<u>(100,443.5)</u>
PROPERTY						
None						
TOTAL PROPERTY						
OTHER						
Wine Commission Fees Ch. 40		(33.0)	(33.0)	(33.0)	(33.0)	(33.0)
Liquor License Fees Ch. 133		(1,200.0)	(1,200.0)	(1,200.0)	(1,200.0)	(1,200.0)
TOTAL OTHER		<u>(1,233.0)</u>	<u>(1,233.0)</u>	<u>(1,233.0)</u>	<u>(1,233.0)</u>	<u>(1,233.0)</u>
TOTAL INDIVIDUAL INCOME		<u>(10,776.0)</u>	<u>(10,776.0)</u>	<u>(10,776.0)</u>	<u>(10,776.0)</u>	<u>(10,776.0)</u>
TOTAL CORPORATE INCOME						
TOTAL SALES AND USE		<u>(12,243.5)</u>	<u>(30,443.5)</u>	<u>(51,443.5)</u>	<u>(74,743.5)</u>	<u>(100,443.5)</u>
TOTAL PROPERTY						
TOTAL OTHER		<u>(1,233.0)</u>	<u>(1,233.0)</u>	<u>(1,233.0)</u>	<u>(1,233.0)</u>	<u>(1,233.0)</u>
TOTAL		<u>(24,252.5)</u>	<u>(42,452.5)</u>	<u>(63,452.5)</u>	<u>(86,752.5)</u>	<u>(112,452.5)</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1994

(\$ in Thousands)

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>
INDIVIDUAL INCOME			
IRS Conformity Ch. 41		6,200.0	6,200.0
Personal Income Tax Cut Ch. 41		(106,900.0)	(106,900.0)
Medical Savings Account Ch. 45			(175.0)
Water Conservation Inc. Tax Credit Ch. 90		(1,626.0)	(1,874.0)
Income Tax Benefit Rule Ch. 354		(500.0)	(500.0)
Pollution Control Credits Ch. 117			(1,500.0)
TOTAL INDIVIDUAL INCOME	<u> </u>	<u>(102,826.0)</u>	<u>(104,749.0)</u>
CORPORATE INCOME			
IRS Conformity Ch. 41		10,000.0	10,000.0
Lower Corporate Rate Ch. 41		(5,800.0)	(5,800.0)
Consolidated Returns Ch. 41			(13,400.0)
Pollution Control Credits Ch. 117			(1,000.0)
TOTAL CORPORATE INCOME	<u> </u>	<u>4,200.0</u>	<u>(10,200.0)</u>
SALES AND USE			
MITRA; Chemicals Ch. 41			(4,000.0)
Super Bowl Exemption Ch. 145			(481.9)
Personal Property Liquidators Ch. 174		(1,000.0)	(1,000.0)
Prison Food TPT Exemption Ch. 240		(80.0)	(80.0)
University Cars Exemption Ch. 305		(57.0)	(57.0)
Feed Exemption Ch. 307		(655.0)	(655.0)
Amusement/Instruc. Exemption Ch. 312		(825.0)	(825.0)
Tax Accounting Ch. 346			(11,870.0)
Omnibus Alternative Fuels Ch. 353		(400.0)	(400.0)
Government Contract Overhead Ch. 377			(8,000.0)
TOTAL SALES AND USE	<u> </u>	<u>(3,017.0)</u>	<u>(27,368.9)</u>

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1994

(\$ in Thousands)

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>
PROPERTY			
MITRA; 1% Personal Prop./Phasedown Ch. 41			(16,496.0)
Livestock Ch. 102			(660.0)
Homeowners' Rebate Freeze Ch. 41 Not Included-Tax Cut as Spending Increase		0.0	0.0
Telecommunications Cos. Valuations Ch. 271		(850.0)	(850.0)
TOTAL PROPERTY	<u> </u>	<u>(850.0)</u>	<u>(18,006.0)</u>
OTHER			
None			
TOTAL OTHER	<u> </u>	<u> </u>	<u> </u>
TOTAL INDIVIDUAL INCOME		(102,826.0)	(104,749.0)
TOTAL CORPORATE INCOME		4,200.0	(10,200.0)
TOTAL SALES AND USE		(3,017.0)	(27,368.9)
TOTAL PROPERTY		(850.0)	(18,006.0)
TOTAL OTHER			
TOTAL	<u> </u>	<u>(102,493.0)</u>	<u>(160,323.9)</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1995

(\$ in Thousands)

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
INDIVIDUAL INCOME			
Income Tax Reduction Ch. 9		(200,000.0)	(200,000.0)
Summer Schools and Jobs Ch. 236		(337.5)	(337.5)
TOTAL INDIVIDUAL INCOME	<u> </u>	<u>(200,337.5)</u>	<u>(200,337.5)</u>
CORPORATE INCOME			
Consolidated Tax Returns Ch. 31		(400.0)	(400.0)
Lower Corporate Rate Ch. 41		(2,200.0)	(2,200.0)
Pollution Control Credits Ch. 117		(1,000.0)	(1,000.0)
TOTAL CORPORATE INCOME	<u> </u>	<u>(3,600.0)</u>	<u>(3,600.0)</u>
SALES AND USE			
Motion Picture Tax Refund Ch. 98		(100.0)	(100.0)
Sales Tax Amenities Ch. 267		(700.0)	(700.0)
TOTAL SALES AND USE	<u> </u>	<u>(800.0)</u>	<u>(800.0)</u>
PROPERTY			
Personal Property Tax Reductions Ch. 9			(17.3)
Property Tax Reduc. Min. Value Ch. 137			(78.0)
Possessory Interest; Repeal Ch. 294		(1,100.0)	(1,100.0)
TOTAL PROPERTY	<u> </u>	<u>(1,100.0)</u>	<u>(1,178.0)</u>
OTHER			
None			
TOTAL OTHER	<u> </u>	<u> </u>	<u> </u>
TOTAL INDIVIDUAL INCOME		(200,337.5)	(200,337.5)
TOTAL CORPORATE INCOME		(3,600.0)	(3,600.0)
TOTAL SALES AND USE		(800.0)	(800.0)
TOTAL PROPERTY		(1,100.0)	(1,178.0)
TOTAL OTHER	<u> </u>	<u> </u>	<u> </u>
TOTAL		<u>(205,837.5)</u>	<u>(205,915.5)</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1996

(\$ in Thousands)

	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
INDIVIDUAL INCOME			
Income Tax Definitions Ch. 49		(860.0)	(860.0)
Neighborhood Protection Deductions Ch. 309		(90.0)	(90.0)
TOTAL INDIVIDUAL INCOME		(950.0)	(950.0)
CORPORATE INCOME			
Neighborhood Protection Act Ch. 309		(60.0)	(60.0)
Enterprise Zones: Tax Credits Ch. 344			(1,575.1)
TOTAL CORPORATE INCOME		(60.0)	(1,635.1)
SALES AND USE			
Arts Fund; Partnership Ch. 186			(1,475.9)
Prime Contracting Sales Tax Ch. 319			(30,000.0)
Movie Studios Incentives Ch. 322		(49.3)	(49.3)
Homeowners Organizations Ch. 326		(100.0)	(100.0)
TOTAL SALES AND USE		(194.3)	(31,625.2)
PROPERTY			
Property Tax Reductions Ch. 2 - Does not include \$50M in spending		(150,000.0)	(150,000.0)
TOTAL PROPERTY		(150,000.0)	(150,000.0)
OTHER			
TOTAL OTHER			
TOTAL INDIVIDUAL INCOME		(950.0)	(950.0)
TOTAL CORPORATE INCOME		(60.0)	(1,635.1)
TOTAL SALES AND USE		(149.3)	(31,625.2)
TOTAL PROPERTY		(150,000.0)	(150,000.0)
TOTAL OTHER			
TOTAL		(151,159.3)	(184,210.3)

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1997

(\$ in Thousands)

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
INDIVIDUAL INCOME			
Tax Credit; School Tuition Organizations Ch. 48			(8,443.2)
Welfare Reform; Arizona Works Ch. 300			(8,030.8)
IRS Conformity Ch. 63		(3,330.0)	(3,330.0)
Energy Conservation Incentives Ch. 137			(34.1)
Income Adjustments Ch. 238		(749.0)	(749.0)
Air Quality Omnibus Ch. 274		(250.0)	(250.0)
Savings Account; Postsecondary Ed. Ch. 171			(20.4)
Tax Relief Act of 1997 - Rates Reductions Ch. 8		(110,800.0)	(110,800.0)
TOTAL INDIVIDUAL INCOME	<u> </u>	<u>(115,129.0)</u>	<u>(131,657.5)</u>
CORPORATE INCOME			
IRS Conformity Ch. 62		4,177.0	4,177.0
Welfare Reform; Arizona Works Ch. 300			(585.2)
TOTAL CORPORATE INCOME	<u> </u>	<u>4,177.0</u>	<u>3,591.8</u>
SALES AND USE			
Light Vehicle Fees Ch. 110		(2,000.0)	(2,000.0)
Used Oil Amendments Ch. 178		(92.2)	(92.2)
Use Tax Exemptions - Libraries Ch. 227		(36.9)	(36.9)
Sales Tax; Nursing Homes Ch. 245			(2,000.0)
Omnibus Tax Changes Ch. 274		(542.9)	(542.9)
TOTAL SALES AND USE	<u> </u>	<u>(2,672.0)</u>	<u>(4,672.0)</u>
PROPERTY			
None			
TOTAL PROPERTY	<u> </u>	<u> </u>	<u> </u>
OTHER			
Agriculture Omnibus Ch. 228		(90.0)	(90.0)
Health Care Omnibus Ch. 268		(15.0)	(15.0)
TOTAL OTHER	<u> </u>	<u>(105.0)</u>	<u>(105.0)</u>

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1997

(\$ in Thousands)

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
TOTAL INDIVIDUAL INCOME		(115,129.0)	(131,657.5)
TOTAL CORPORATE INCOME		4,177.0	3,591.8
TOTAL SALES AND USE		(2,672.0)	(4,672.0)
TOTAL PROPERTY			
TOTAL OTHER		(105.0)	(105.0)
TOTAL		(113,729.0)	(132,842.7)

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1998

(\$ in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
INDIVIDUAL INCOME				
Prop. 200 - Campaign Finance			(1,279.1)	(1,279.1)
Alternative Fuels Ch. 221		(923.0)	(2,854.8)	0.0
Omnibus Taxation of 1998 Ch. 283	160.0	(3,240.0)	(6,410.0)	(6,410.0)
Tax Relief Act of 1998 - Rates Reductions Ch. 3		(30,000.0)	(50,000.0)	(50,000.0)
Wheels to Work Ch. 208			(1,140.0)	(1,140.0)
Tax Exemptions; Exempts; Credits Ch. 286			(1,347.0)	(1,347.0)
TOTAL INDIVIDUAL INCOME	<u>160.0</u>	<u>(34,163.0)</u>	<u>(63,030.9)</u>	<u>(60,176.1)</u>
CORPORATE INCOME				
Income Tax Credits; Coal Taxes Ch. 137		(1,600.0)	(1,600.0)	(1,600.0)
Tax Relief Act of 1998 - Rates Reductions and Deduction Elimination Ch. 3		(10,000.0)	(20,000.0)	(20,000.0)
Wheels to Work Ch. 208			(1,140.0)	(1,140.0)
Tax Exemptions, Deductions Ch. 286			(577.3)	(577.3)
TOTAL CORPORATE INCOME	<u></u>	<u>(11,600.0)</u>	<u>(23,317.3)</u>	<u>(23,317.3)</u>
SALES AND USE				
Sales and Use; Printing Ch. 132		(100.0)	(200.0)	(200.0)
Flight Property Exemptions Ch. 177		(110.0)	(30.0)	(30.0)
Alternative Fuels Ch. 221		(577.0)	(1,434.6)	(1,434.6)
Tax Exemptions, Deductions Ch. 286	(60.0)	(857.2)	(296.5)	(296.5)
TOTAL SALES AND USE	<u>(60.0)</u>	<u>(1,644.2)</u>	<u>(1,961.1)</u>	<u>(1,961.1)</u>
PROPERTY				
Telecommunications Ch. 220			(19.3)	(19.3)
Widow, Widowers Exemption Ch. 261			(32.3)	(32.3)
TOTAL PROPERTY	<u></u>	<u></u>	<u>(51.6)</u>	<u>(51.6)</u>
OTHER				
Tax Relief Act of 1998 - VLT Rate Reduction Ch. 3		(80,000.0)	(100,000.0)	(100,000.0)
TOTAL OTHER	<u></u>	<u>(80,000.0)</u>	<u>(100,000.0)</u>	<u>(100,000.0)</u>
TOTAL INDIVIDUAL INCOME	160.0	(34,163.0)	(63,030.9)	(60,176.1)
TOTAL CORPORATE INCOME		(11,600.0)	(23,317.3)	(23,317.3)
TOTAL SALES AND USE	(60.0)	(1,644.2)	(1,961.1)	(1,961.1)
TOTAL PROPERTY			(51.6)	(51.6)
TOTAL OTHER		(80,000.0)	(100,000.0)	(100,000.0)
TOTAL	<u>100.0</u>	<u>(127,407.2)</u>	<u>(188,360.9)</u>	<u>(185,506.1)</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 1999

(\$ in Thousands)

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
INDIVIDUAL INCOME				
Public Retirement Benefits Ch. 50			(1,766.7)	(1,766.7)
Alternative Fuel Vehicles Ch. 168			(427.1)	
Taxpayer Bill of Rights Ch. 250		(200.0)	(600.0)	(400.0)
IRS Conformity Ch. 317	(240.0)	2,330.0	690.0	(3,190.0)
TOTAL INDIVIDUAL INCOME	(240.0)	2,130.0	(2,103.8)	(5,356.7)
CORPORATE INCOME				
Tax Relief and Fiscal Control (Trigger) Rate Reduced from 8.0% to 7.0%; R&D Cap. Removed Ch. 5			(37,000.0)	(74,000.0)
Income Allocation (Airline Bill) Ch. 190			(700.0)	(1,400.0)
Alternative Fuel Vehicles Ch. 168			(1,052.1)	
IRS Conformity Ch. 317	5,170.0	2,920.0	2,920.0	890.0
TOTAL CORPORATE INCOME	5,170.0	2,920.0	(35,832.1)	(74,510.0)
SALES AND USE				
Sales Tax Exemption; Expendables Ch. 153	(100.0)	(3,500.0)	(3,500.0)	(3,500.0)
Tax Relief and Fiscal Control (Trigger) Mining Severance Tax Reduction Ch. 5		(4,667.0)	(8,000.0)	(8,000.0)
TOTAL SALES AND USE	(100.0)	(8,167.0)	(11,500.0)	(11,500.0)
PROPERTY				
Omni. Reconciliation - Personal Property (Expend.) Ch. 5 Does not include \$21.4M spending			(30.0)	(30.0)
TOTAL PROPERTY			(30.0)	(30.0)
OTHER				
Omni. Reconciliation - VLT Cut Ch. 5		(35,000.0)	(60,000.0)	(60,000.0)
TOTAL OTHER		(35,000.0)	(60,000.0)	(60,000.0)
TOTAL INDIVIDUAL INCOME	(240.0)	2,130.0	(2,103.8)	(5,356.7)
TOTAL CORPORATE INCOME	5,170.0	2,920.0	(35,832.1)	(74,510.0)
TOTAL SALES AND USE	(100.0)	(8,167.0)	(11,500.0)	(11,500.0)
TOTAL PROPERTY			(30.0)	(30.0)
TOTAL OTHER		(35,000.0)	(60,000.0)	(60,000.0)
TOTAL	4,830.0	(38,117.0)	(109,465.9)	(151,396.7)

Source: JLBC Appropriations Reports

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 2000

(\$ in Thousands)

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
INDIVIDUAL INCOME				
Renewable Energy Incentives Ch. 214				(57.0)
Technology Training Credit Ch. 239			(300.0)	(300.0)
IRS Conformity Ch. 252	(680.0)	(2,796.0)	(3,260.0)	(636.0)
Agricultural Preservation District Ch. 267			(100.0)	(100.0)
Character Instruction Tax Credit Ch. 313			(75.0)	(75.0)
Handicapped Preschoolers Tax Credit Ch. 394			(100.0)	(100.0)
Clean Air Act Ch. 405 (neighborhood electric vehicle credit)		(15,750.0)		
Clean Air Act ^{1/} Ch. 405 (alt fuel vehicle credit)		(59,100.0)	(26,700.0)	(3,100.0)
Alternative Fuels Program Changes Ch. 1 (7th Special Session)		(4,427.0)		
Low-income Tax Credit ^{1/} Ch. 1 (5th Special Session)			(20,100.0)	(20,100.0)
Tuition Tax Credit Ch. 1 (5th Special Session)			(3,750.0)	(3,847.5)
TOTAL INDIVIDUAL INCOME	(680.0)	(82,073.0)	(54,385.0)	(28,315.5)
CORPORATE INCOME				
Technology Training Credit Ch. 239			(2,500.0)	(2,500.0)
IRS Conformity Ch. 252	(15.0)	21.0	175.0	149.0
Clean Air Act Ch. 405			192.3	192.3
Clean Air Act ^{1/} Ch. 405 (alt fuel vehicle credit)		(7,300.0)	(6,600.0)	(1,600.0)
TOTAL CORPORATE INCOME	(15.0)	(7,279.0)	(8,732.7)	(3,758.7)
SALES AND USE				
Renewable Energy Incentives Ch. 214		(40.7)	(42.8)	(45.0)
Spaceport Launch Site Exemption Ch. 359	(18.4)	(36.7)	(36.7)	(36.7)
TOTAL SALES AND USE	(18.4)	(77.4)	(79.5)	(81.7)
PROPERTY				
Renewable Energy Incentives Ch. 214				(8.8)
Cemeteries; Property Tax Exemption Ch. 258				(7.3)
Electrical Generation Facilities Ch. 384			(2,234.9)	(3,957.1)
TOTAL PROPERTY			(2,234.9)	(3,973.2)
OTHER				
None				

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 2000

(\$ in Thousands)

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
TOTAL OTHER				
TOTAL INDIVIDUAL INCOME	(680.0)	(82,073.0)	(54,385.0)	(28,315.5)
TOTAL CORPORATE INCOME	(15.0)	(7,279.0)	(8,732.7)	(3,758.7)
TOTAL SALES AND USE	(18.4)	(77.4)	(79.5)	(81.7)
TOTAL PROPERTY			(2,234.9)	(3,973.2)
TOTAL OTHER				
TOTAL	(713.4)	(89,429.4)	(65,432.1)	(36,129.1)

1/ Amounts for FY 2001, FY 2002, and FY 2003 represent actual impact rather than initial estimated impact.

Totals do not include approximately \$(12.7) million paid out for consumer loss recovery, for a total alternative fuel impact of approximately \$(117) million.

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 2001

(\$ in Thousands)

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
INDIVIDUAL INCOME			
Conditional Appropriations; Taxation (reduce standard deduction) Ch. 235		(15,000.0)	(15,000.0)
Department of Revenue; Confidentiality Ch. 261		1,400.0	1,300.0
IRS Conformity Ch. 296	(123.0)	(280.0)	(385.0)
Retirement Benefits; Defined Contribution Ch. 380		(300.0)	(300.0)
Equity Tax Act; Archaic Laws Ch. 382		(552.8)	(552.8)
TOTAL INDIVIDUAL INCOME	<u>(123.0)</u>	<u>(14,732.8)</u>	<u>(14,937.8)</u>
CORPORATE INCOME			
IRS Conformity Ch. 296	(470.0)	(1,098.0)	(1,315.0)
Enterprise Zone Program; Extension Ch. 370 (impact can not be determined)			
TOTAL CORPORATE INCOME	<u>(470.0)</u>	<u>(1,098.0)</u>	<u>(1,315.0)</u>
SALES AND USE			
None			
TOTAL SALES AND USE	<u></u>	<u></u>	<u></u>
PROPERTY			
None			
TOTAL PROPERTY	<u></u>	<u></u>	<u></u>
OTHER			
None			
TOTAL OTHER	<u></u>	<u></u>	<u></u>
TOTAL INDIVIDUAL INCOME	(123.0)	(14,732.8)	(14,937.8)
TOTAL CORPORATE INCOME	(470.0)	(1,098.0)	(1,315.0)
TOTAL SALES AND USE			
TOTAL PROPERTY			
TOTAL OTHER			
TOTAL	<u>(593.0)</u>	<u>(15,830.8)</u>	<u>(16,252.8)</u>

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 2002 *

(\$ in Thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
INDIVIDUAL INCOME				
IRS Conformity Ch. 344		(14,480.0)	(14,480.0)	(14,480.0)
TOTAL INDIVIDUAL INCOME		<u>(14,480.0)</u>	<u>(14,480.0)</u>	<u>(14,480.0)</u>
CORPORATE INCOME				
Repeal Dividends Income Tax Subtraction Ch. 50		11,200.0	11,200.0	11,200.0
IRS Conformity Ch. 344		5,610.0	5,610.0	5,610.0
TOTAL CORPORATE INCOME		<u>16,810.0</u>	<u>16,810.0</u>	<u>16,810.0</u>
SALES AND USE				
None				
TOTAL SALES AND USE				
PROPERTY				
None				
TOTAL PROPERTY				
OTHER				
IRS Conformity - Estate Tax Ch. 344		(18,830.0)	(38,140.0)	(57,740.0)
TOTAL OTHER		<u>(18,830.0)</u>	<u>(38,140.0)</u>	<u>(57,740.0)</u>
TOTAL INDIVIDUAL INCOME		<u>(14,480.0)</u>	<u>(14,480.0)</u>	<u>(14,480.0)</u>
TOTAL CORPORATE INCOME		<u>16,810.0</u>	<u>16,810.0</u>	<u>16,810.0</u>
TOTAL SALES AND USE				
TOTAL PROPERTY				
TOTAL OTHER		<u>(18,830.0)</u>	<u>(38,140.0)</u>	<u>(57,740.0)</u>
TOTAL		<u>(16,500.0)</u>	<u>(35,810.0)</u>	<u>(55,410.0)</u>

Source: JLBC Appropriations Report

* Includes 45th Legislature, 2nd Special Session (December 2001), 3rd Special Session (March 2002), and 2nd Regular Session.

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 2003 *

(\$ in Thousands)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
INDIVIDUAL INCOME			
None			
TOTAL INDIVIDUAL INCOME			
CORPORATE INCOME			
None			
TOTAL CORPORATE INCOME			
SALES AND USE			
None			
TOTAL SALES AND USE			
PROPERTY			
Flight Property Tax		7,000.0	0.0
Ch. 263			
TOTAL PROPERTY		7,000.0	0.0
OTHER			
Remove Medicaid Exemption/Ins. Premium Tax		69,728.1	92,970.1
Ch. 136			
TOTAL OTHER		69,728.1	92,970.1
TOTAL INDIVIDUAL INCOME			
TOTAL CORPORATE INCOME			
TOTAL SALES AND USE			
TOTAL PROPERTY		7,000.0	0.0
TOTAL OTHER		69,728.1	92,970.1
TOTAL		76,728.1	92,970.1

Source: JLBC Appropriations Report

* Includes 45th Legislature, 6th Special Session (November 2002), and 46th Legislature, 1st Special Session (March 2003), and 1st Regular Session.

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 2004

(\$ in Thousands)

	<u>FY 2004</u>	<u>FY 2005</u>
INDIVIDUAL INCOME		
IRS Conformity		(1,800.0)
Ch. 196		
Stillborn Children Exemption		(34.0)
Ch. 214		
TOTAL INDIVIDUAL INCOME	<hr/>	<hr/> (1,834.0)
CORPORATE INCOME		
None		
TOTAL CORPORATE INCOME	<hr/>	<hr/>
SALES AND USE		
None		
TOTAL SALES AND USE	<hr/>	<hr/>
PROPERTY		
None		
TOTAL PROPERTY	<hr/>	<hr/>
OTHER		
Liquor Fees		250.0
Ch. 275		
TOTAL OTHER	<hr/>	<hr/> 250.0
TOTAL INDIVIDUAL INCOME		(1,834.0)
TOTAL CORPORATE INCOME		
TOTAL SALES AND USE		
TOTAL PROPERTY		
TOTAL OTHER	<hr/>	<hr/> 250.0
TOTAL	<hr/>	<hr/> (1,584.0)

Source: JLBC Appropriations Report

TAX LAW CHANGES THAT OCCURRED IN CALENDAR YEAR 2005

(\$ in Thousands)

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
INDIVIDUAL INCOME				
IRS Conformity Ch. 196		(5,400.0)	(5,090.0)	(7,950.0)
Elimination of "Marriage Penalty" Ch. 334		(6,400.0)	(12,800.0)	(12,800.0)
Index Standard Deduction to CPI Ch. 334		(2,400.0)	(4,800.0)	(7,200.0)
Active Duty Military Pay Exemption (one-time) Ch. 303			(10,300.0)	
Graywater Tax Credit ^{1/} Ch. 292				(250.0)
Small Business Investment Credit Ch. 316				^{2/}
TOTAL INDIVIDUAL INCOME	<u> </u>	<u>(14,200.0)</u>	<u>(32,990.0)</u>	<u>(28,200.0)</u>
CORPORATE INCOME				
IRS Conformity Ch. 196		(3,000.0)	5,210.0	9,410.0
AZ National Guard Employment Credit Ch. 264		(250.0)	(250.0)	(250.0)
Motion Picture Tax Incentives Ch. 317			(8,000.0)	(9,200.0)
Graywater Tax Credit ^{1/} Ch. 292				(500.0)
Corporate Sales Factor ^{3/} Ch. 289				(32,000.0)
Corporate Consolidated Credit ^{4/} Laws 1994 Ch. 41			(4,000.0)	(55,500.0)
TOTAL CORPORATE INCOME	<u> </u>	<u>(3,250.0)</u>	<u>(7,040.0)</u>	<u>(88,040.0)</u>
SALES AND USE				
Motion Picture Tax Incentives Ch. 317		(600.0)	(1,200.0)	(1,300.0)
TOTAL SALES AND USE	<u> </u>	<u>(600.0)</u>	<u>(1,200.0)</u>	<u>(1,300.0)</u>
PROPERTY				
Business Property Tax Reduction ^{5/} Ch. 302				
Increased Widows Property Tax Exemption ^{6/} Ch. 309				
TOTAL PROPERTY	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER				
None				
TOTAL OTHER	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL INDIVIDUAL INCOME		(14,200.0)	(32,990.0)	(28,200.0)
TOTAL CORPORATE INCOME		(3,250.0)	(7,040.0)	(88,040.0)
TOTAL SALES AND USE		(600.0)	(1,200.0)	(1,300.0)
TOTAL PROPERTY				
TOTAL OTHER				
TOTAL	<u> </u>	<u>(18,050.0)</u>	<u>(41,230.0)</u>	<u>(117,540.0)</u>

Source: JLBC Appropriations Report

^{1/} Individual and corporate credit combined capped at \$750,000 per year for 5 years beginning in FY 2008.

^{2/} Credit capped at \$20 million for tax years 2007 through 2014. No estimates of impact by year.

^{3/} Estimated impact of \$(120) million when fully implemented in FY 2011.

^{4/} Legislation enacted in 1994 provided a tax credit totalling \$115 million for certain consolidated returns which was to be spread over 10 years. In the 11th year, DOR is required to refund any unused credit. The amounts indicated above are DOR's estimates for the remaining credits to be claimed in FY 2007 and FY 2008.

^{5/} Impact will occur as increased Arizona Department of Education expenditures. The cost is expected to be \$12.3 million in FY 2007 and \$26.5 million in FY 2008. Full implementation in FY 2016 is expected to cost \$140 million.

^{6/} Impact will occur as increased Arizona Department of Education expenditures. The cost is expected to be \$500,000 in FY 2007 and \$512,000 in FY 2008.